

OFFICE OF MANAGEMENT AND BUDGET

OMB Circular A-21, Cost Principles for Educational Institutions

AGENCY: Office of Management and Budget, Executive Office of the President.

ACTION: Final Revision.

SUMMARY: The Office of Management and Budget (OMB) is adopting the interim final revision to OMB Circular A-21, "Cost Principles for Educational Institutions," to allow trustees' travel expenses.

DATES: Effective November 27, 1998.

FOR FURTHER INFORMATION CONTACT: Gilbert Tran, Financial Standards and Reporting Branch, Office of Federal Financial Management, Office of Management and Budget, at (202) 395-3993. Non-Federal organizations should contact the organization's cognizant Federal agency. The revised Circular is available on the OMB Home Page at <http://www.whitehouse.gov/WH/EOP/omb>, as well as from the EOP Publications Office at (202) 395-7332.

SUPPLEMENTARY INFORMATION: On June 1, 1998 (63 FR 29786), the Office of Management and Budget (OMB) issued an interim final revision to OMB Circular A-21, "Cost Principles for Educational Institutions," to allow trustees' travel expenses. Only two comments were received in response to the interim final revision; both supported the revision. Accordingly, OMB is adopting in final form, without change, the interim final revision to Circular A-21 which was published at 63 FR 29786 on June 1, 1998.

Jacob J. Lew,
Director.

OMB hereby revises Section J.50 of OMB Circular A-21 to read as follows:

50. Trustees. Travel and subsistence costs of trustees (or directors) are allowable. The costs are subject to restrictions regarding lodging, subsistence and air travel costs provided in Section 48.

[FR Doc. 98-28704 Filed 10-26-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23492; 812-10662]

The Select Sector SPDR Trust, et al.; Notice of Application

October 20, 1998.

AGENCY: Securities and Exchange Commission ("Commission" or "SEC").

ACTION: Notice of application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 2(a)(32), 5(a)(1), and 22(d) of the Act and rule 22c-1 under the Act, and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (2) of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit certain open-end management investment companies, whose portfolios will consist of the component securities of certain indices, to issue shares of limited redeemability; permit secondary market transactions in the shares of the companies at negotiated prices; and permit affiliated persons of the companies to deposit securities into, and receive securities from, the companies in connection with the purchase and redemption of aggregations of the companies' shares.

APPLICANTS: The Select Sector SPDR Trust, the Index Exchange Listed Securities Trust (each a "Trust" and together, the "Trusts"), State Street Bank and Trust Company (the "Adviser"), and ALPS Mutual Funds Services, Inc. (the "Distributor").

FILING DATES: The application was filed on May 13, 1997, and amended on September 4, 1998. Applicants have agreed to file an amendment, the substance of which is incorporated in this notice, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 12, 1998, and should be accompanied by proof of service on applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. The Select Sector SPDR Trust, the Index Exchange Listed Securities Trust, and State Street Bank and Trust Company, 1776, Heritage Drive, AFB4, North Quincy, MA 02171, Attn: Joseph J. McBrien, Esq.; and ALPS Mutual Fund Services, Inc., 370 Seventeenth Street, Suite 2, Denver, CO 80202, Attn: Tom Carter.

FOR FURTHER INFORMATION CONTACT: Brian T. Hourihan, Senior Counsel, at (202) 942-0526, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington D.C. 20549 (tel. (202) 942-8090).

Applicants Representations

1. Each Trust is an open-end management investment company organized as a Massachusetts business trust and registered under the Act. Each Trust will have separate investment portfolios (each a "Fund"). The Adviser will act as investment adviser and custodian for each Fund. The Distributor, a broker-dealer registered under the Securities Exchange Act of 1934 (the "Exchange Act"), will serve as the principal underwriter of each Fund on an agency basis.

2. Each Fund will invest in a portfolio of equity or fixed income securities generally consisting of the component securities of a specified securities index ("Portfolio Securities"). The indices will include: the Standard & Poor's 500 Basic Industries Select Sector Index, the Standard & Poor's 500 Consumer Services Select Sector Index, the Standard & Poor's 500 Consumer Staples Select Sector Index, the Standard & Poor's 500 Cyclical and Transportation Select Sector Index, the Standard & Poor's 500 Energy Select Sector Index, the Standard & Poor's 500 Financial Select Sector Index, the Standard & Poor's 500 Industrial Select Sector Index, the Standard & Poor's 500 Technology Select Sector Index and the Standard & Poor's 500 Utilities Select Sector Index (collectively, the "Select Sector SPDR Indices"),¹ as well as the Merrill Lynch, Pierce, Fenner & Smith

¹ The Select Sector SPDR Indices track the movements of companies that are components of the Standard & Poor's 500 Index by industry sectors. The Select Sector SPDR Indices will be calculated by the Index Services Group of the American Stock Exchange, Inc. ("AMEX") using a "modified market capitalization" methodology to ensure that each component security of an Index is represented in proportion to the percentage of the total market capitalization of the Index represented by the Index. The Select Sector SPDR Trust is permitted to use the Select Sector SPDR Indices pursuant to a licensing agreement with The Standard & Poor's Corporation, the AMEX, and Merrill Lynch, Pierce, Fenner & Smith Incorporated. The Select Sector SPDR Indices' values will be disseminated every 15 seconds over the Consolidated Tape Association ("Consolidated Tape").